

FISCAL NOTE
SB 1111 - HB 1585

March 27, 2003

SUMMARY OF BILL: Provides that no employee of a metropolitan government (Davidson, Moore, and Trousdale Counties) who becomes disabled as a result of injury or disease arising from employment with such government shall have their disability pay or benefits furnished by the metropolitan government reduced by earnings and benefits received from other sources.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - \$7,900,000

Estimate assumes:

- Trousdale and Moore Counties do not have a disability benefits program.
- under the provisions of the bill payments from Social Security would no longer offset disability payments from the local government pension plan resulting in an increase in expenditures for the affected local government.
- the increase in employer contributions to the Metropolitan Government of Nashville and Davidson County's Pension Plan is estimated to be approximately \$7,900,000 annually under the provisions of the bill.
- the total increase in liability of the plan is estimated to be \$73,000,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 1111 - HB 1585